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Coordinated and integrated United Nations system approach to promote rural development in developing countries, with due consideration to least developed countries, for poverty eradication and sustainable development

Report of the Secretary-General

Summary

The internationally agreed development goals, including the Millennium Development Goals, cannot be attained unless rural development is accelerated. The present report analyses the role of the United Nations system in promoting a coordinated and integrated approach to rural development and makes concrete proposals on how to improve policy coherence at the international, regional and country levels. The report builds on the outcome of last year's Economic and Social Council high-level segment on rural development giving due consideration to the least developed countries and, in particular, to the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, which provides a guiding framework for coordination of support to the least developed countries.

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I. Introduction[1]

1. At its high-level segment in 2003, the Economic and Social Council considered the theme "Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development" and adopted a ministerial declaration, which stressed that the eradication of rural poverty and hunger was crucial for the achievement of the internationally agreed development goals, including those contained in the Millennium Declaration. Three quarters of the world's poor, including the majority of the over 700 million people in the least developed countries, live in rural areas. Rural development is thus a precondition for the reduction of extreme poverty and hunger.

2. The ministerial declaration emphasized that rural development should be pursued through an integrated approach, encompassing the economic, social and environmental dimensions, taking into account the gender perspective and consisting of mutually reinforcing policies and programmes. The approach should be balanced, targeted, situation-specific, locally owned, include local synergies and initiatives and be responsive to the needs of rural populations. The declaration welcomed the work of the organizations of the United Nations system in eradicating rural poverty and promoting rural development and called upon them to ensure that measures were implemented to simplify, harmonize and integrate assessment procedures and programming so as to reduce transaction costs and avoid additional procedural requirements for programme countries and enhance support for their efforts to achieve the internationally agreed development goals, especially those contained in the Millennium Declaration.

3. The importance of rural development for poverty eradication has also found renewed recognition outside the United Nations environs. A number of donor Governments, including the United States, Canada and Australia, as well as major financial institutions, including the World Bank, have recently revised and updated their rural development strategies. Several new commitments in support of rural and agricultural development were also made recently, including on the highest political level. At the Evian Summit of the Group of Eight industrialized countries in 2003, it was agreed to reverse the "decline of official development assistance to agriculture". More recently, the leaders of the African Union recognized the role of agriculture and rural development for achieving food security and economic growth in Africa at their Assembly session in February 2004 at Sirte, Libyan Arab Jamahiriya, and pledged to allocate 10 per cent of their national budgets to increase agricultural production. Also in February 2004, the Inter-American Development Bank (IDB) released a report analysing its operations in support of rural populations and activities during the past decade. The report concluded that lending to agriculture has decreased significantly between 1990 and 2001 and recommended that the IDB Executive Board update the Bank's agricultural policy and scale up support for rural poverty reduction.

4. Rural development has been addressed by the major United Nations conferences and summits, in particular at the World Food Summit (1996), the Millennium Summit (2000), the Third United Nations Conference on the Least Developed Countries (2001), the International Conference on Financing for Development (2002), the World Food Summit: five years later (2002), and the World Summit on Sustainable Development (2002). These conferences recognized the need

to create an enabling environment for rural poverty eradication and the development of rural areas and have advocated for a new political impetus in these fields.

5. Building on the framework provided by major United Nations conferences and summits, in particular the Millennium Summit, as well as the outcome of last year's high-level segment, the Council's coordination segment of 2004 will review the overall impact of this approach and focus on how the United Nations system can promote a coordinated and integrated approach to rural development at the international, regional and country levels. The report will give due consideration to the least developed countries and, in particular, to the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, which provides a guiding framework for coordination of support to the least developed countries. The present report should thus be read in conjunction with the report for this year's high-level segment of the Economic and Social Council entitled "Resource mobilization and enabling environment for poverty eradication in the context of the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010".

II. Role of the United Nations system in promoting, with due consideration to the least developed countries, a coordinated and integrated approach to rural development at the international, regional and country levels

6. The United Nations system has a key coordination role in promoting rural development, taking into account regional and national specificities in programmatic and operational activities.

7. The United Nations system is guided by the broad framework of the Millennium Development Goals in promoting a coordinated and integrated approach to rural development and in ensuring complementarity among the different actors within and outside the United Nations system. In this context, United Nations system organizations are making efforts to make integrated rural development an integral part of the strategies to achieve the development goals, particularly the Millennium Development Goals.

8. The work of the United Nations in the area of rural development, in particular, through the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the World Food Programme (WFP) and other agencies, has enhanced coordination for rural development by defining a global agenda for rural development. The World Food Summit, the World Food Summit: five years later and the Millennium Development Goals, in particular, have led to renewed focus on rural development and highlighted the need for an integrated approach to rural development, one that encompasses the economic, social and environmental dimensions of rural development.

9. The importance of the agricultural sector in the structure of the economies of the least developed countries cannot be overemphasized. Agriculture remains the primary livelihood of the majority of the population in the least developed countries, and the most important sector of the economy. Economic growth, poverty reduction and food security in most least developed countries cannot be achieved in the

absence of a strong and dynamic food and agricultural sector, as a primary pillar in the strategy of overall economic growth and development.

10. The poverty trap in which the least developed countries are caught is characterized by vicious cycles at different levels, ranging from the household level to that of the international economy. At the domestic level, the least developed countries are trapped in a vicious cycle of poverty, relatively high population growth and a rather high rate of environmental degradation. At the international level, they are stuck in a vicious cycle of heavy dependence on primary commodities, unstable and declining world market prices for non-oil primary commodities, low levels of export revenues, low levels of import capacities and unsustainable external debt.

11. An integrated approach to rural development across a broad front is required in order to effectively assist the least developed countries to break out of the poverty trap and make progress towards the international development goals. This approach includes actions by the least developed countries themselves and their development partners. National efforts and international support should be coordinated effectively so as to stimulate poverty reduction through rural development. Policy coherence is especially important for achieving adequate resource allocation, which is essential for integrated rural development. National efforts and international support need to be coordinated effectively to reverse the decline in official development assistance (ODA) and to create an enabling environment that encourages private sector investment in rural areas.

A. International level

1. Guidance by the Economic and Social Council on development issues

12. At the international level, the Economic and Social Council, as the central mechanism for the coordination of the United Nations system activities, has a major role to play in promoting policy coherence and collaboration on rural development and in ensuring the links between international processes and programmes. The Council's high-level segment last year has helped in bringing this issue at the forefront of international issues. The segment engaged key policy makers, financial institutions, regional commissions, heads of agencies and business and civil society leaders in a sustained dialogue and as a result its ministerial declaration on the subject gave new impetus to the work of the United Nations system in this key area.

13. Within its present coordination system, the Economic and Social Council could, working with the organizations of the United Nations system, including financial and trade institutions, increase collaboration for implementing the goals of major United Nations conferences and summits. The Council can help to determine how goals and actions related to rural development, which form an integral part of conference outcomes, can contribute to the achievement of the internationally agreed development goals, including the Millennium Development Goals. It provides a forum for a practical exchange of views on successful experiences in promoting a coordinated approach to rural development and to mobilize support for activities in this field by all development partners, including Governments, United Nations organizations, non-governmental organizations (NGOs) and the private sector.

2. Role of the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Food Programme

14. The specific mandates of FAO, IFAD and WFP, consisting, respectively, of technical expertise, financial assistance and food aid, are highly complementary and provide great scope for cooperation and coordination at all levels. Collaboration is now part of the strategic planning of the three Rome-based agencies. The implementation of these strategies is guided by the complementary roles that FAO, IFAD and WFP play in supporting the achievement of the Millennium Development Goals. At the international level the three agencies are increasingly joining forces to promote agricultural growth and advocate for broad-based rural development, including a focus on the needs of the poorest and most vulnerable.

Box 1

Existing national and international forums such as the United Nations System Network on Rural Development and Food Security, hosted by FAO and jointly monitored by IFAD, FAO, WFP and the International Land Coalition, can assist to exchange and disseminate information, experiences and best practices, reinforce ties between organizations of the United Nations system and other stakeholders and mobilize support for government efforts to implement rural development and food security programmes.

15. The final declaration of the World Food Summit: five years later (2002) calls on all parties to reinforce their efforts to "act as an international alliance against hunger". The alliance should be an association in which Governments and parliaments work with the international community, civil society organizations, the private sector and concerned individuals. It should build on the many existing initiatives and institutions that are already successfully engaged within their respective mandates in the fight against hunger. It offers a framework for all of them to join forces in giving the hungry a stronger voice and in responding to their concerns. Hence, the Rome-based agencies are working towards a stronger integration between the United Nations system network and the international alliance against hunger.

Box 2

FAO proposed the Anti-Hunger Programme, with a twin-track approach to achieve food security by combining policy reforms and investment in sustainable agriculture and rural development with measures to ensure immediate access to food by the neediest. It combines concrete measures to increase agricultural productivity and the up-take of appropriate technologies by poor rural communities, ensuring also access to food for the most needy through safety nets and other direct assistance. The intention of the Anti-Hunger Programme is notably to give higher priority to resource mobilization for agriculture in rural areas, as a source of livelihood for the majority of the poor.

16. As the task manager for sustainable agriculture and rural development (Chapter 14 of Agenda 21) and focal point for the sustainable agriculture and rural development initiative, FAO aims to build the capacities of rural communities, organizations and networks to improve access to resources, promote good practices for sustainable agriculture and rural development and foster fairer conditions of employment in agriculture. Specific activities are foreseen with IFAD and other partners to design, implement and evaluate new sustainable agriculture and rural development policy packages and practices in mountain regions. The Johannesburg Plan of Implementation of the World Summit on Sustainable Development also recommended that sustainable agriculture and rural development be seen as essential to the implementation of an integrated approach to increasing food production and to enhancing food security and food safety in an environmentally sustainable way (see para. 40 below).

17. At the International Conference on Financing for Development in Monterrey in 2002, FAO, IFAD and WFP presented a common strategic vision to achieve the global poverty and hunger goals. Similarly, in March 2004, the three Rome-based agencies presented a joint statement on joining forces to end hunger and poverty to President Jacques Chirac during a joint meeting convened following the Geneva declaration made on 30 January by Presidents Jacques Chirac (France), Luiz Inácio Lula da Silva (Brazil), and Ricardo Lagos (Chile) on the need for improved coordination between agencies and increasing financial resources to fight hunger and poverty.

18. Coordination of the work of agencies with regard to thematic areas is particularly important. The integrated approach to rural development advocated in the 2003 Ministerial Declaration of the Economic and Social Council encompasses the economic, social and environmental dimensions of rural development. Thematic issues such as HIV/AIDS, education, health care, the empowerment of women[2] and sustainable use of natural resources, such as water, all have a vital role to play in rural development, and none of the agencies can address all issues in their entirety.

19. In order to enhance synergy and eliminate duplication within the United Nations system, it is necessary to identify what each agency/body has been doing and must do at the international, regional and country levels to promote rural development in the least developed countries and other developing countries. This should be done in accordance with the mandate (specialization), and the financial, analytical and technical capacities of each of the agencies.

20. The International Fund for Agricultural Development's Rural Poverty Report 2001 identified critical operational areas where coordinated action among various agencies could yield positive outcomes in terms of poverty reduction through an integrated approach to rural development. The United Nations agencies concerned with institutional social and environmental issues, as well as economic development, thus have an important role to play in rural development. The International Labour Organization (ILO), for example, has been giving high importance to rural employment and is increasingly working together with FAO on this issue. A number of ILO programmes, such as those concerning labour-based approaches to infrastructure, micro- and small enterprise development, microfinance, enhancing market access, cooperatives, skills development, decent work and the informal economy, and local economic development, are relevant for fostering rural non-farm economic activities and generating employment through the diversification of the

rural economy. Work in these areas is to be further strengthened and more closely focused on poverty reduction.

21. Since employment-intensive investment using labour-based approaches supports pro-poor growth in rural areas, ILO is urging countries to recognize the crucial importance of employment by mainstreaming it into investment policy and poverty reduction strategies. The ILO programme on integrated rural accessibility planning and local economic development aims at strengthening institutions and mechanisms for local and regional planning. The ILO's work on local economic development is a good example of how an integrated approach to rural development can be put into practice. Enhancing market access for rural products can also help to improve income distribution within countries.

22. The HIV/AIDS pandemic threatens the social, economic and political stability in developing countries. The vast majority of people living with and affected by the pandemic live in rural areas. The three Rome-based agencies are working actively with other stakeholders to analyse the relationship between HIV/AIDS, food security and rural development, and to devise appropriate responses, including through direct assistance to the affectees living in developing countries. In October 2003, the United Nations System Chief Executives Board for Coordination (CEB) endorsed a report, prepared by an inter-agency working group co-led by WFP, IFAD and the Joint United Nations Programme on HIV/AIDS entitled "Organizing the United Nations response to the triple threat of food insecurity, weakened capacity for governance and AIDS in Southern Africa". The report calls upon United Nations agencies to help Governments achieve Millennium Development Goals targets. It highlights increased United Nations action to support community-based actions (safety nets, livelihoods, services), empower women and girls and respond to the orphaning crisis.

23. Education is recognized as another key area for rural development, and WFP is working actively with partners, both within and outside the United Nations system, to strengthen access to education in rural areas. The challenge of education as a vehicle for sustainable rural development is one of the main themes of the Education for All effort. Urban-rural disparities in educational investment and in the quality of teaching and learning are widespread and need to be redressed. Rural people and rural areas are not homogenous, and so, for education to be relevant, it needs to respond to the diversity of rural situations. Educational activities have to be linked to the specific needs of the rural community for skills and capacities to seize economic opportunities, improve livelihood and enhance the quality of life.

24. With a grant from IFAD, FAO is implementing a pilot project for farmer field schools in Kenya, Uganda and the United Republic of Tanzania that uses participatory hands-on learning techniques. Originally designed for the promotion of integrated pest management, farmer field schools have been operating for many years in Asia. IFAD projects include adult literacy training, principally targeted at women. About 20 per cent of the projects in Africa and 50 per cent of the IFAD/Belgian Survival Fund Joint Programme projects have literacy components. Efforts to tackle illiteracy among rural woman in Niger were recognized when an IFAD-financed literacy training booklet, the first of its kind to be produced in Fula (Fulani), was awarded the UNESCO prize in Seville.

Box 3
Education for Rural People

As a follow-up to the World Summit on Sustainable Development, FAO and UNESCO initiated a flagship on education for rural people, which has been instrumental in bringing international attention to education (formal, non-formal and informal) as a viable means for rural development and in viewing rural education in holistic terms, i.e., interrelationship between education and all other development activities. This partnership includes some member countries, United Nations entities and civil society. The programme seeks to address rural-urban disparities in education by building awareness of the importance of education for rural people as a crucial step to achieve the millennium goals of eradicating extreme poverty and hunger and achieving education for all. It works also to foster national capacity to plan and implement basic education plans to address learning needs of rural people.

25. Within the purview of the work of the International Telecommunication Union (ITU) on rural development, a special unit referred to as Universal Access and Rural Communications was established to focus on ensuring that more resources are directed towards projects designed to enhance the availability of information and communication technologies in rural areas. The Union promotes a cohesive approach by all parties involved in information and communication technology rural development work that will ensure that the objective of installing 5 main lines per 100 inhabitants and 5 Internet connections per 100 inhabitants as stated in the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010, becomes a reality.

26. The Universal Postal Union (UPU) has developed relationships with other organizations in the United Nations system, such as ITU, the United Nations Development Programme (UNDP) and the World Bank, to expand or improve communication services in various parts of the world. The alleviation of poverty cannot succeed without the necessary development of infrastructure, including postal services that are contributing to economic development and improving people's lives, especially in rural areas.

3. Promoting policy coherence and collaboration among the United Nations and Bretton Woods institutions on rural development

27. The World Bank's Board of Directors endorsed a new agriculture and rural development strategy for the World Bank in October 2002, published in 2003 as *Reaching the Rural Poor*. It was motivated by a sharp decline in Bank Group lending for agriculture and rural development as well as by analytical work directed to this sector. The new strategy proposes re-engagement, but in new directions that address the issues of failed project approaches and highly distorted agricultural and rural development policies. After one and one-half years of implementation, there are several positive developments, as well as major challenges remaining. On the positive side, the donor community has followed the Bank's lead in re-engaging in

this sector, with many donors issuing new agriculture and rural development strategies, and expanding their assistance. World Bank lending for rural development increased by nearly 50 per cent in one year, to fiscal year 2003, reaching over US$ 7 billion. The strategy recognized that, to have an impact, such processes must be integral to national development strategy processes e.g., poverty reduction strategy papers, national development plans, etc.. The principal focus of this strategy has been to help countries strengthen the voice of the rural poor in national processes for agricultural and rural strategy formulation. The Bank's efforts are thus highly synergistic with the Rome-based agencies. The Bank is working actively with these and others in a broad-based global coalition to make the reduction of rural poverty a major focus for the coming decade. As a result of these efforts, a Global Platform for Rural Development was established in March 2003 and Germany's Federal Ministry for Economic Cooperation and FAO have agreed to provide a secretariat for the Platform's activities.

28. In another good example of coordination actions, the Consultative Group on International Agricultural Research, an association of agencies and other public and private members supporting a system of 15 future harvest centres that work in more than 100 countries, aims at achieving sustainable food security and reducing poverty in developing countries through scientific research and research-related activities in the fields of agriculture, forestry, fisheries, policy and environment. It mobilizes cutting-edge scientific knowledge to reduce hunger and poverty, improve human nutrition and health, and protect the environment. The Consultation Group's research agenda focuses on both strategic and applied research. This agenda includes the entire range of problems affecting agricultural productivity and links these problems to broader concerns about poverty reduction, sustainable management of natural resources, protection of biodiversity, and rural development. All benefits of the research are kept within the public domain, and are available to all.

29. IFAD, FAO and WFP have been jointly exploring innovative ways of increasing the volume of funding available for improving food security and rural livelihoods and of building mechanisms for mobilizing international resources. Significant progress has been made in working with the Italian Government and middle-income highly indebted countries in developing programmes (Egypt, Ecuador and Peru), whereby bilateral debt is cancelled in return for borrower commitments to commit the resources (in local currency terms) that they would have used to amortize the debt for demand-driven rural development and food security programmes.

30. Also, FAO, IFAD, WFP and the Global Mechanism of the United Nations Convention to Combat Desertification have formed a partnership with the Italian Government to assist countries that are not included under the debt relief initiative for heavily indebted poor countries in switching funds from debt payments to fighting poverty and promoting sustainable development. This is being done through programmes and projects aimed at poverty reduction under the Millennium debt relief initiative.

31. More than a billion poor people lack access to the basic financial services essential for them to manage their precarious lives. Experience has shown that direct access to financial services affects the productivity, asset formation, income and food security of the rural poor, making rural finance a vital tool in poverty reduction

and rural development. Collaboration within the United Nations system encourages and supports innovations in rural finance. For example, IFAD set up a rural pro-poor innovation challenge with the Consultative Group to Assist the Poor, a consortium of 28 public and private development agencies working together to expand access to financial services for the poor in developing countries.

4. Least developed countries

32. The agricultural sector in many least developed countries is very vulnerable to a variety of negative local impacts ranging from droughts, pest and diseases. As export of agricultural commodities constitutes a major source of income for both government and farmers, commodity price volatility represents a major obstacle to sustained economic growth in the least developed countries, and thereby poverty reduction. In the absence of any formal social-security safety net, the majority of the rural population engaged in agricultural export face a very difficult challenge in making their way out of poverty. The continued decline in the value of agricultural commodities, such as sugar, coffee, tea, cocoa and cotton, against strategic imports, such as oil and medicines, during the past two decades indicates that for sustained improvement in reducing rural poverty least developed countries will have to diversify their crops and products. This will of necessity require seed funding, capacity-building and technical support. Funding should come from a combination of international aid and domestic resources.

33. The market share of commodities that are crucial to many least developed countries, such as cocoa, coffee, timber and tea, in world trade has dropped by more than 30 per cent in the past 20 years. Furthermore, the agricultural exports of the least developed countries are concentrated on a very limited number of low-value-added primary commodities, most of them unprocessed, with a consistent downtrend in real prices. With little least developed country control on post-harvest transport, processing, marketing and distribution, the share of farmers or primary producers in least developed countries in the final consumer price is often below 10 per cent. Development partners of least developed countries aggravate the situation of these countries through trade-distorting policies and measures with regard to crucial commodities for least developed countries.

Box 4

The Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010 emphasizes the key role of agriculture as the crucial sector in least developed countries, as it underpins food security, foreign exchange earnings, agro-industrial and rural development. For many least developed countries, the link between agricultural development and poverty reduction is considered as the most direct than with any other sector. The Programme of Action calls upon the least developed countries as well as their development partners — bilateral and multilateral donors, private sector and NGOs — to undertake specific and detailed actions to increase output productivity in the agricultural sector, diversify and expand lines of agricultural production, and invest in further processing raw commodities for increased local value-added, while promoting rural industries.

34. The Brussels Programme of Action is explicit in emphasizing the lack of food security as the most typical face of poverty in least developed countries. It states "Seventy percent of the poor and food-insecure are rural dwellers, many of whom are small farmers who produce on the brink of survival, or landless people trying to sell their labour." In a broader sense, the core problems of abject and widespread poverty, inequality, rapid population growth and rising unemployment have as a main cause the stagnation of economic activities and output in the rural areas.

35. The Programme of Action provides the United Nations system with a guiding framework for coordination of support to least developed countries in the various components of the Programme, including the building of productive capacities, i.e. the fourth commitment of the Programme. This commitment is crucial for the least developed countries, as it encompasses the key building blocks for economic growth and development, that is, infrastructure, enterprise development, agriculture and agro-industries, food security and rural development.

36. The Programme of Action therefore provides a common ground for the formulation of programmes and projects that support the building of productive capacities in the agricultural sector and rural development, in both farm and non-farm activities.

37. In the context of preparations for the eleventh session of the United Nations Conference on Trade and Development (UNCTAD), UNCTAD is preparing a partnership in the area of commodities that is of direct relevance in this regard. The partnership, which would take the form of an International Task Force on Commodities, would involve member States (both commodity-dependent developing countries and interested development partners, especially donors); international organizations (such as FAO, the International Monetary Fund (IMF), the International Trade Centre, UNDP, the Common Fund for Commodities and the World Bank); commodity-specific bodies (international commodity organizations and study groups); the private sector, in particular the major corporations engaged in the production, marketing and distribution of commodities; non-governmental organizations that promote action on commodity issues; and the academic community undertaking research on commodity problems and related solutions.

38. The core objective of the Task Force will be to facilitate the development, through a multi-stakeholder approach, of strategies and modalities for the sustainable development of commodity sectors in developing countries, and to enhance the contribution of commodities to overall development. It will forge partnerships between stakeholders through which practical approaches and concrete actions towards sustainable development can be designed and implemented. The Task Force will seek to advance the broad, internationally agreed development goals and targets of the United Nations, especially those established by the Millennium Declaration. Eradication of poverty and the special needs of the least developed and low-income countries will constitute the principal focus and benchmark for all activities of the Task Force.

39. Rather than creating a new, heavy bureaucracy, the Task Force will seek to build upon existing and emerging initiatives and activities, and help generate new ones in order to find practical solutions and produce results that will have a real impact on the situation of the poor in developing countries. It will focus on adding value to current work on commodities by helping to coalesce and scale up existing

efforts and promote innovative approaches, particularly market-based ones, by facilitating collaboration among all stakeholders.

B. Regional level

1. United Nations system support to the New Partnership for Africa's Development and other regional organizations in regional rural development

40. The three Rome-based agencies are all actively providing support to the New Partnership for Africa's Development (NEPAD) process. Supporting such regional initiatives is an important means by which the United Nations system strengthens the focus on rural development in poverty reduction strategies and promotes an integrated approach to rural development. A cluster of United Nations agencies, of which IFAD is the rapporteur, is supporting NEPAD in the areas of agriculture, trade and market access through knowledge management, advocacy and capacity-building. Through the Special Programme for Food Security, FAO assists a growing number of developing countries that are determined to achieve the goals set at the World Food Summit and are looking to FAO and its partners for assistance.

41. Countries committed to reducing hunger should be encouraged to embark on nationwide multi-component national food security projects or programmes such as the Special Programme for Food Security, which would include some or all elements recommended in the Anti-Hunger Programme and could be funded by a variety of national and international sources. In line with the Anti-Hunger Programme and international alliance against hunger concepts, these national programmes would be supported by a national alliance of interested parties built, where possible, on existing groups including, in Africa, representatives of the NEPAD partners. In this programme, FAO's role is to assist regional economic groupings in formulating food security programmes that focus on the supranational dimensions of food security, especially agricultural trade facilitation, harmonization of agricultural policies and regional support to national food security efforts. It is in this context that FAO, together with other partners, has assisted the NEPAD secretariat in developing the Comprehensive Africa Agriculture Development Programme.

42. IFAD's support to the NEPAD process aims at a synergetic cooperation of key actors to boost the process of poverty alleviation and development. For example, IFAD has provided considerable support to the participatory design and implementation of the agricultural component of NEPAD and has been using its role, both within and outside of the cluster, to advocate for the rural poor and civil society to get more systematically involved. FAO and IFAD have prepared support programmes for the NEPAD secretariat, which include the provision of technical assistance in organizing the participatory design of selected agricultural projects. This initiative is complemented by further support to civil society organizations and particularly farmers' organizations within the context of grass-roots capacity and institutional development projects all over the continent, as well as to apex organizations at the national and regional levels.

43. WFP has recently signed a memorandum of understanding with the NEPAD secretariat, under which cooperation will be initiated on (a) food security and livelihood protection, (b) school feeding and basic education, (c) nutrition, (d) mother-and-child health, (e) HIV/AIDS, (f) vulnerability analysis, (g) emergency

needs assessment, (h) contingency planning, (i) emergency preparedness and response, and (j) national and regional capacity-building.

44. In Latin America, the Inter-Agency Working Group on Rural Development in Latin America and the Caribbean is the main institutional cooperation framework for the region's rural development. The Working Group attaches great importance to achieving better coordination and collaboration among international development organizations.

45. In Asia, inter-agency groups, such as rural development and food security forums, are active in several countries. With support from FAO, the regional Network for Development of Agricultural Cooperatives and the International Cooperative Alliance are active in promoting food security through agricultural cooperative development.

46. The United Nations Educational, Scientific and Cultural Organization (UNESCO) is committed, within its area of competence, to lend its support to the NEPAD secretariat. So far, the NEPAD secretariat has received UNESCO's assistance for the preparation of the NEPAD Plan of Action in the field of education. UNESCO's Education Sector is actively involved in the work of the NEPAD Task Team on Human Resource Development.

2. Work/impact of regional commissions, regional development banks and regional financial institutions

47. Regional organizations have launched a number of activities for promoting rural development. In February 2004, the Economic and Social Commission for Asia and the Pacific, FAO and the Asian Development Bank organized in Bangkok the "Regional High-Level Roundtable Meeting on Spearheading Sub-regional Programmes and Cooperation for Eradication of Poverty and Food Insecurity in Asia and the Pacific". The meeting adopted a declaration that encourages regional economic organizations and other institutions involved in economic integration with the participation of civil society organizations to spearhead the process of identifying the priority regional and subregional issues related to poverty, food security, agriculture and rural development and of formulating and implementing programmes to address these issues and concerns.

48. The Economic Commission for Latin America and the Caribbean (ECLAC) is part of the Inter-Agency Group for Rural Development coordinated by the Inter-American Development Bank. The Group has been invited by Brazil (2002), Panama (2002) and Peru (2003) to discuss their rural development strategies. Rural poverty alleviation and the reduction of inequality are central to this strategy. ECLAC also did pioneering work on the development of socio-economic indicators on the consequences of desertification processes. A set of 15 indicators was agreed upon by Argentina, Brazil and Chile, and was tested with the local population in regions undergoing desertification processes and with policy makers to determine their usefulness in portraying local conditions, identifying cause-and-effect relationships and guiding decision-making. These could also contribute to the formulation of overall agricultural policy.

49. In the Economic and Social Commission for Western Asia (ESCWA), several studies, expert group meetings, capacity-building workshops, field projects and programmes focused on social policies, agriculture, water, energy and technology.

Country studies were also produced to advise policy makers on rural poverty alleviation and on the organization and management of State farming. These were complemented by meetings and consultations aimed at monitoring, assessing and evaluating rural development programmes and projects in the countries of the region. ESCWA activities also covered projects implemented to develop sustainable water and energy supplies and promote decentralized electrification and renewable energy systems to rural areas, and agricultural extension, agricultural marketing programmes and rural financial institutions, as well as encouraging the establishment of credit institutions and the development of extension institutions in some member countries. IFAD has also a longstanding partnership with the League of Arab States. Aid to countries of the region totals US$ 3.5 billion and the funds have been used in a collaborative effort with Arab financial institutions. IFAD plays a significant role in supporting interregional initiatives and has established relations with the specialized agencies of the League and other regional institutions, including the Arab Organization for Agricultural Development and the Arab Centre for the Studies of Arid Zones and Drylands.

50. The Economic Commission for Africa (ECA) deploys the following modalities and services to support its work: policy analysis and advocacy; enhancing partnerships; technical assistance; communication and knowledge-sharing; and supporting subregional activities. Policy-related analytical work is central to the overall work of ECA. Drawing on this work, the Commission serves as a policy advocate on critical development issues, including on rural development, to encourage the initiatives and reforms necessary for economic and social advancement in Africa. The Commission has progressively strengthened its partnership agenda with a wide spectrum on constituencies, both within and outside the continent. In order to improve coherence and synergies in the United Nations, particularly around the system's response to NEPAD, ECA convenes annual regional consultations of United Nations agencies working in Africa. The consultations, which bring together all United Nations agencies, funds and programmes working on Africa, provide a forum for information-sharing as well as enhanced collaboration on Africa.

3. United Nations system support to South-South cooperation

51. South-South cooperation, as an important element of international cooperation for development, offers viable opportunities for developing countries in the pursuit of sustainable development and poverty eradication. South-South approaches have a major role to play in furthering development, provided they receive the consistent support of Governments of both developed and developing countries and of international organizations.

52. South-South cooperation is particularly crucial in the area of water and agricultural development since control by the poor over water is essential for the realization of the full benefits of farmland. IFAD is working with the African Development Bank, FAO, the International Water Management Institute and the World Bank to identify new approaches to investment in the agricultural water-supply sector. Grants have been awarded to national and international agricultural centres to generate and test new approaches through research on participatory irrigation management programmes; the use of brackish and saline water; farming harvesting; the facilitating of collaboration on transboundary water; and capacity-building for management of water demand.

53. The United Nations Educational, Scientific and Cultural Organization (UNESCO) is planning to carry out a study of implementation modalities for South-South cooperation and solidarity in the filed of education as well as a feasibility study on the creation of a fund for a programme of South-South solidarity in education. The two studies will be submitted to the Executive Board at its one hundred seventieth session with a view to launch pilot projects on South-South solidarity in six developing countries in Africa, Asia, Latin America and the Caribbean.

54. Inter-agency cooperation by UNESCO and FAO and collaboration with partner institutions, such as the International Research and Training Centre for Rural Education in China, in organizing international seminars on education for rural people with participants from Africa and Asia contributed to fostering South-South cooperation.

55. The potential of the United Nations system to support South-South cooperation has not been fully realized, mainly due to the inadequacy of financial and human resources in existing organizational mechanisms within the United Nations system. It is thus essential to address the need to revitalize and consolidate the South-South platform, build stronger South institutions at the global level, bridge the knowledge and information gap, broaden partnerships and mobilize global support for South-South cooperation. The coordination of South-South cooperation should be focused more on catalysing and monitoring South-South efforts to meet the Millennium Development Goals. The UNDP Special Unit for Technical Cooperation among Developing Countries, which serves as the focal point and coordinator of South-South cooperation in the United Nations system, has a crucial role to play in this regard.

4. Least developed countries

56. Considering the structural weaknesses of least developed countries in productive and trading capacities and in a number of cases the landlockedness of least developed countries, regional and subregional integration schemes provide actionable instruments for promoting expansion of agricultural production and for enhancing food security at the national and subregional levels. The potential for expanding least developed countries participation in intraregional trade in agricultural and agro-industry products has not yet been fully exploited, although that avenue and strategy would best address the production hindrances related to the small size of their domestic markets.

57. Promotion of intraregional trade as well as South-South trade from which least developed countries can derive substantial trade gains will therefore require greater opening up of subregional and regional markets for agricultural and agro-industrial products from least developed countries, vigorous efforts and programmes for production line diversification, i.e. horizontal diversification, and increased domestic inputs in product processing, i.e. vertical diversification, and substantial investment in physical and economic infrastructures.

C. Country level

1. Integration of rural development issues/poverty eradication objectives into poverty reduction strategy papers and common country assessment/United Nations Development Assistance Framework and national strategies for food security

58. Common country assessments and the United Nations Development Assistance Framework (UNDAF) provide a vehicle for the United Nations to work jointly with Governments and other partners to identify how United Nations actions can support national efforts. At the same time, in most of the least developed countries the poverty reduction strategy papers are becoming an increasingly important vehicle for coordination between the Government, bilateral donors and international organizations. Strengthening the rural dimension of the strategies is essential for promotion of an integrated approach to rural development. The United Nations should be prepared to engage actively in the process, and through its multilateral character and broad in-country expertise, is well placed to build capacity of and provide neutral policy advice to national Governments in developing and implementing the poverty reduction strategy papers.

59. There is already a considerable degree of coordination among United Nations agencies, both through the United Nations Development Assistance Framework and among the individual agencies. With respect to the Rome agencies and the complementarity of their expertise, every effort is being made to expand cooperation among the agencies. This ranges from joint programming of projects to collaboration of in-country processes to project development. In China, for example, eight joint IFAD/WFP development projects have been developed, approved and implemented with joint targeting, design, supervision, monitoring and evaluation. In Mongolia, for example, IFAD assisted in the review of the agriculture and rural development section of the poverty reduction strategy paper, and, with the World Bank, supported regional seminars to broaden the participation of local government and civil society in the development of the paper. Consequently, the final poverty reduction strategy paper contains a much stronger strategy for agriculture and rural development.

60. On the basis of national development strategies and/or poverty reduction strategy papers, considerable scope exists for forging broad alliances for rural development, in the context of a sector-wide approach or other sector-specific initiatives. An example of a sectoral partnership of this nature can be found in Ethiopia, where cooperation has been established between a broad range of stakeholders, including the World Bank, WFP and FAO (known as the coalition for food security) to develop a multi-annual predictable safety net to address risk and vulnerability for the poor, predominantly in rural areas. The United Nations should participate actively and take the lead when appropriate.

61. The national thematic groups of the United Nations System Network on Rural Development and Food Security also play an active role in contributing to identify national rural development and food security issues and priorities, focusing programme and strategy development within the context of UNDAF, and in designing precise interventions and projects. In the framework of the international alliance against hunger, national alliances should also become key actors for advocacy and dialogue with civil society organizations.

2. United Nations system's work with civil society, community-based organizations and cooperatives

62. The United Nations, using its unique place in the development community, needs to increase its efforts to bring together different actors, including Governments, bilateral agencies, international and national NGOs, the private sector, academic institutions and community-based organizations and cooperatives in the pursuit of rural development. These actors, in partnership with the poor, have been active in implementing strategies to support the livelihood of rural families and promote agricultural production that could assure food security and fight poverty. Cooperatives, as facilitators of purchasing, production, processing, marketing, savings and credit, occupy a special niche in rural development. The United Nations, the Food and Agriculture Organization of the United Nations, the International Labour Organization, the International Cooperative Alliance and the International Federation of Agricultural Producers collaborate under the umbrella of the Committee for the Promotion and Advancement of Cooperatives.

63. A key factor for rural development involves empowerment through voice. At the country level, the interest of the rural poor should be fully reflected in the common country assessment and UNDAF processes, as well as in poverty reduction strategy papers by promoting direct participation of genuinely representative rural organizations, and directly articulating key rural development concerns. Synergies between the United Nations system organizations and civil society, and NGOs in particular, in poverty-reduction initiatives in rural areas have proved to be positive. Non-governmental organizations working with United Nations agencies and in partnership with the rural poor, are useful agents in implementing programmes and strategies to support the livelihood of rural families and promote agricultural production that could assure food security and reduce poverty.

64. Removing gender inequalities and securing access to natural resources for the poor are prerequisites for economic growth and likewise essential elements of an integrated approach to rural development. Establishment and support of community organizations and local women's groups are an important means to improve women's economic and social standing. A good example of United Nations system coordination in this area is the collaboration of IFAD and WFP in Bangladesh, where joint projects with a strong civil society component are aimed at increasing fisheries and aquaculture production and income for the rural poor, in particular rural women.

3. Least developed countries

65. Triangular United Nations-public-private partnerships to strengthen productive capacities of farming and non-farming rural small and medium enterprises, need to be given a more prominent role in United Nations development assistance, as called for in the Brussels Programme of Action. These triangular partnerships and their synergies can boost technological progress and innovation in agriculture, including technological adaptation and development of appropriate technologies, as well as mechanization of agricultural operations. In this regard, the accumulated knowledge in the United Nations system and access to best practices in the developing world could stir South-South cooperation and exchange of experiences in the area of agriculture and rural development.

66. A good example of expanded partnership is the recently created United Nations Public-Private Alliance for Rural Development, whose aim is to "identify, highlight and promote replication of successful business policies and practices that are both profitable and promote social and economic advancement of poor people in the rural areas". UNDP, among others, is actively involved in the work of the Alliance. The basic thrust of the Alliance is that businesses, whether domestic or international, can have a positive influence in achieving the Millennium Development Goals with regard to rural poverty. The Alliance, whose pilot exercise is concentrated on Madagascar, would help harmonize the profit motives of the private sector with internationally agreed development goals and national rural development objectives. The Alliance brings together existing United Nations-wide programmes and projects, and a number of business associations with the aim of maximizing synergy in the recipient least developed countries.

III. Conclusion and recommendations

67. The potential contribution of rural development in the realization of the internationally agreed development goals, including the Millennium Development Goals, is being increasingly acknowledged. However, there are certain issues that need to be taken into account while assimilating the goal of integrated rural development in the broader framework of the Millennium Development Goals. How to ensure complementarity between the strategies to achieve the Millennium Development Goals and rural development-related activities? How to promote efficient allocation of resources and optimal utilization of capacities of various organizations and actors?

68. While grappling with these questions, the United Nations system, Governments and other relevant actors are trying to develop an integrated approach for their activities. There are, inter alia, three important elements to this approach: firstly, integration of various dimensions of rural development and the development goals should be based on a coherent strategy, a clear division of labour and mutually reinforcing programmes of various organizations; secondly, there should be a coherent framework for capacity-building activities and projects in the area of rural development; and thirdly, regional cooperation needs to be promoted as a core element of this approach.

- **Promote further integration of rural development into the operational activities and development policies of all United Nations agencies with mandates dealing with economic, social and environmental dimensions of this issue.**
- **The United Nations system should be encouraged to design a coherent capacity-building programme for rural development. Such a programme needs the support of international, regional and national institutions.**
- **The United Nations system organizations should be provided with sufficient resources to promote integrated rural development, including through enhanced flows of official development assistance dedicated to rural development.**
- **The extensive cooperation among the Rome-based agencies in the areas of programming and project development and implementation is welcome and should be further expanded.**

- **The United Nations system agencies should strengthen their cooperation in promoting the empowerment of rural women at all levels and in all aspects of rural development, including agriculture, nutrition and food security.**

- **Access to rural finance is a critical component of rural development. Collaboration among all finance partners is hence essential and should be further pursued.**

- **Within the framework of the initiatives of education for rural people and education for sustainable development, advocacy and mobilizing partnerships for education for rural people should be promoted by concentrating on strategic global, regional and international events, and these should also be encouraged within the countries.**

- **The United Nations system should further support regional initiatives in order to strengthen its focus on rural development in poverty reduction strategies and to promote an integrated approach to rural development.**

- **The United Nations regional commissions should explore possibilities for interregional cooperation, particularly for sharing best practices.**

- **South-South cooperation and triangular cooperation need to be further promoted in the area of rural development.**

- **Since employment-intensive investment using labour-based approaches supports pro-poor growth in rural areas, countries should therefore recognize the crucial importance of employment by mainstreaming it into investment policy and poverty reduction strategies, including these focused on rural area development.**

- **A cohesive and coordinated approach should be promoted by all parties involved in information and communication technologies rural development work to ensure that the objective of installing 5 main lines per 100 inhabitants and 5 Internet connections per 100 inhabitants as stated in the Brussels Programme of Action, becomes a reality.**

- **The United Nations system organizations should continue to promote partnerships among Governments, bilateral agencies, international and national NGOs, the private sector, academic institutions and community-based organizations and cooperatives in the pursuit of rural development, including through the United Nations Public-Private Alliance for Rural Development.**

Notes

[1] The report has been prepared with contributions from United Nations system agencies, in particular FAO, IFAD, WFP and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.

[2] The issue of gender mainstreaming is addressed by the second theme of this year's coordination segment. See report of the Secretary-General on the Review and appraisal of the system-wide implementation of the Council's agreed conclusions 97/2 on mainstreaming the gender perspective into all policies and programmes in the United Nations system.